

University of California Retirement Plan (UCRP)



Returning to UC Employment After Retirement

Factsheet and Election Form

Each year, some faculty and staff retirees return to work at UC. All retirees receiving monthly retirement income who return to work and are eligible to participate in the University of California Retirement Plan (UCRP) must elect in writing whether to continue receiving monthly retirement income or be reinstated as an active member of UCRP. Your decision to return to work and whether or not to continue to receive UCRP monthly retirement income can have a significant impact on your current and future income. This factsheet addresses reemployment and how it affects retirement and health and welfare benefits. You should see your local Benefits Office for further information and to sign the Election Form.

Guidelines for Reemployment after Retirement

Following are the general University guidelines for reemployment after retirement. They apply whether you receive a monthly benefit or take a lump sum cashout.

- You should not return to work at UC until after you receive your first retirement payment (or lump sum cashout), generally 90 days after your termination date. In any case you may not return to work sooner than 30 days after your termination date, even if you have received your first retirement payment or lump sum cashout. At the time of your retirement, both you and UC must have intended that a separation would occur and that your separation would be permanent.
- According to IRS guidance, if you are under the normal retirement age (age 60 for UCRP), you cannot discuss reemployment prior to your separation.
- Your return to work should be caused by exigent circumstances—for example: the University could not find a suitable replacement after a search, your personal circumstances changed, or the University's circumstances changed.
- Generally, you should work less than 1,000 hours in 12 months (if paid hourly) or be reappointed at 46 percent time or less.

Reemployment and Lump Sum Cashout or Ineligible Position

If you took the lump sum cashout and later you are rehired by UC, the UCRP election option is not applicable because you do not have a monthly retirement benefit. You do not need to make an election. If you are receiving UCRP retirement income but your new

position is not UCRP-eligible, your retirement income must continue. See page 2 for information about what to do if you become eligible for UCRP later.

Reemployment and UCRP Retirement Income

If you are receiving monthly retirement income from UCRP and you are rehired by the University, you must choose either:

- (1) to continue to receive your monthly benefits and not earn additional UCRP service credit associated with your reemployment; or
- (2) to suspend your monthly UCRP retirement income payments and be reinstated as an active member of UCRP (if your new appointment qualifies you).

Your choice also may affect your eligibility for health and welfare benefits, as described on the following pages.

If your appointment does **not** make you eligible for UCRP membership, your monthly retirement income continues.

Medicare Alert

If you return to work and you or your family members are eligible for Medicare, your medical insurance benefits and premiums may be affected if your appointment is 43.75 percent time or more. Under Medicare law, your UC-sponsored medical plan becomes the primary payer and Medicare becomes the secondary coverage. See page 3 for details.

► If You Continue Your Retirement Income

Impact on Retirement and Savings Plans

If you continue to receive monthly retirement income while working for the University, you:

- will not be reinstated as an active UCRP member and will not earn additional UCRP service credit.
- will be required to contribute 7.5 percent of your pay to the DC Plan Pretax Account as a Safe Harbor participant.
- may also choose to contribute to the DC Plan After-Tax Account, the Tax-Deferred 403(b) Plan and/or the 457(b) Deferred Compensation Plan.

Impact on Health and Welfare Plans

If you continue to receive monthly retirement income upon your return to UC employment, you can choose to continue your retiree medical, dental and legal coverage. Or, you can enroll as an employee in any health and welfare plans for which your reemployment qualifies you.

If you continue your retiree benefits, any net premiums will continue to be deducted from your monthly retirement payments. **Note: You cannot have duplicate coverage as a retiree and an employee.**

If you or family members are Medicare eligible, see page 3.

When you're deciding whether to continue or suspend your retirement income, you may want to consider the following:

In general, suspending your retirement income may be to your benefit if:

- You were under age 60 when you originally retired, and you will be age 60 or older when you re-retire, or
- Your salary during your period of reemployment is significantly higher than your original salary.

► If You Suspend Your Retirement Income

Impact on Retirement and Savings Plans

If you choose to suspend your retirement income and your new appointment meets the requirements for UCRP membership:

- You will be reinstated as an active member and begin earning additional UCRP service credit.
- Your monthly UCRP retirement income payments including any Social Security supplement, must be suspended. **Note: You must contact UC Customer Service to suspend retirement income and return any overpayment that occurs as a result of your reinstatement.**
- You will be required to contribute to the DC Plan Pretax Account in an amount determined by your UCRP membership classification. You may choose to contribute to the DC Plan After-Tax Account, the Tax-Deferred 403(b) Plan and/or the 457(b) Deferred Compensation Plan.
- When you re-retire, contact your Benefits Office to have your retirement income recalculated to include any additional UCRP service credit you earned during your period of reemployment.

Impact on Health and Welfare Plans

If you suspend your monthly retirement income when you return to UC employment, any medical, dental and/or legal coverage you have as a retiree stops. You may enroll as an active employee in any health and welfare plans for which your reemployment qualifies you. For more information about how suspending your retirement income affects your health and welfare benefits, see your local Benefits Office. **Note: You cannot have duplicate coverage as a retiree and an employee.**

If you or family members are Medicare eligible, see page 3.

If You Become Eligible to Suspend Retirement Income Later

In some instances, your appointment could meet the requirements for UCRP membership in the future. For example, if you return to work less than 12 months after you retire, you may accrue 1,000 or more hours worked in a 12-month period, which makes you eligible to suspend your retirement income. At the time you become eligible to suspend your monthly retirement income, you should talk with your local Benefits Office.

If You or Your Family Members are Medicare Eligible

If you or your family members are covered by Medicare and you become eligible for employee medical coverage because of your rehired appointment, federal law requires that Medicare no longer be your primary payer. To comply with this federal regulation, you are required to suspend your retiree coverage and enroll as an employee with Medicare as the secondary payer, or opt-out of UC-sponsored medical coverage and have Medicare coverage only.

If eligible for employee medical coverage, your local Benefits Office will advise you on enrolling as an employee, and your retiree medical coverage will be suspended. Your premium will be paid from your employee earnings and, in most cases, your premium will increase.

If you are receiving any Medicare Part B reimbursement, it will stop.

Note: If you are eligible for UC-sponsored employee medical coverage as a result of returning to work, you must retain your Medicare Part B enrollment and pay the premium, even though Medicare is a secondary payer.

If your new employment excludes you from UCRP membership (e.g., you are appointed by agreement or per diem, or your appointment is for less than 43.75 percent time), you are not eligible for employee medical benefits. Your retiree benefits continue and Medicare remains the primary payer.

When You Stop Working

If you continued to receive your retirement income while working, you should notify UC Customer Service as soon as you know when you will stop working so that your medical coverage will reflect your return to retiree status. Call 1-800-888-8267.

If you suspended your retirement income:

- you must re-retire the day after you leave UC employment,
- the age factor used in recalculating your retirement benefits is your age on the day you separate, and

- you may name a new contingent annuitant for the portion of the retirement benefit that results from your reemployment period.

Please Note:

UC Customer Service or your local Benefits Office can help you with forms, procedures, information and counseling.

Other Considerations

DC Plan, 403(b) Plan and 457(b) Plan

Once you return to pay status following retirement or a lump sum cashout, the normal DC Plan, 403(b) Plan and 457(b) Plan distribution rules apply to you as an active employee, regardless of whether you continue or suspend your retirement income.

Sick Leave

If you receive monthly retirement income and you return to work, any sick leave accruals associated with your new appointment start from zero because at retirement your accumulated sick leave was converted to service credit. If you elected a lump sum cashout, you may be eligible to have some or all accrued sick leave reinstated, in accordance with the personnel policy or collective bargaining agreement that applies to you. For more information, please contact your local Human Resources or Benefits Office.

UCRP REHIRED RETIREE ELECTION FORM

UBEN 1039 (R1/08) University of California Human Resources and Benefits

This Retirement Plan Election Form is made and entered into by

Name _____

(hereinafter referred to as "I" or "Employee") and The Regents of the University of California (hereinafter referred to as the "University").

BACKGROUND

- I previously terminated employment with the University.
- I am receiving monthly retirement income from the University of California Retirement Plan (UCRP).
- I was recently reemployed by the University.
- UCRP states that my monthly retirement payments be suspended if I am rehired and become eligible to accrue benefits under UCRP for current and future employment.
- To avoid the suspension, the University is offering me the choice of making a knowing waiver of any and all rights to accrue additional benefits and service credit under UCRP based on this period of reemployment with the University and continuing to receive my UCRP monthly retirement income. I understand that I will not be eligible for Full Benefits (as defined in *Your Group Insurance Plans*) as an employee under the University's health and welfare plans if I elect to waive my right to accrue additional UCRP benefits and continue my monthly retirement income.

WAIVER AGREEMENT AND RELEASE

For and in consideration of the terms and conditions set forth below, I acknowledge that I understand that:

1. The University provides this Election to allow me to choose between waiving my right to accrue additional UCRP benefits and service credit so that I can continue to receive monthly UCRP retirement income or suspending my monthly UCRP retirement income and accruing additional benefits and service credit under UCRP during my period of reemployment.
2. If I elect to waive my rights to accrue additional benefits and service credit under UCRP so that I can continue to receive my UCRP monthly retirement income, my intent is to settle, fully and completely, any and all claims I might bring against the University for additional benefits and service credit under UCRP in connection with this period of reemployment.
3. If I elect to continue my UCRP monthly retirement income payments without interruption, the University shall not include me as an "active member" of UCRP for purposes of UCRP service credit accruals and benefit accruals for this period of reemployment subsequent to my most recent separation from service with the University. If I elect to suspend my monthly UCRP retirement income and again become an active member of UCRP, my monthly retirement income payments will stop until I subsequently re-retire as provided under UCRP.
4. If I elect to waive my rights to accrue additional UCRP benefits and service credit, I will accept the continued payment of monthly retirement benefits as consideration in exchange for waiving all claims against the University or UCRP related to accruals of UCRP benefits and/or service credit for this period of reemployment.
5. If I elect to continue to receive monthly UCRP retirement income during this period of reemployment, I also will waive possible eligibility for full health and welfare benefits. Depending on the level of my appointment during this period of reemployment, I may be able to choose a lower level of health and welfare benefits. If I am currently enrolled in medical and/or dental plans as a retiree, I may elect to keep any retiree plan coverage I have (unless I am, or a family member is, eligible for Medicare). I understand that special rules dictate my

medical coverage if I am, or a family member is, eligible for Medicare, as described in the accompanying factsheet. I understand that I cannot have duplicate coverage as both an employee and as a retiree.

6. I understand that if I am, or a family member is, eligible for Medicare and my appointment is for 43.75 percent or more time, my UC-sponsored medical plan becomes my primary coverage, that Medicare becomes the secondary payer, that my monthly net premium may increase, and that any Medicare Part B reimbursement stops. I understand that I may not cancel my Medicare Part B coverage.
7. My election to waive my rights to accrue additional UCRP benefits and service credit so that I can continue to receive my UCRP monthly retirement income will constitute my agreement not to pursue against the University and its employees and UCRP, any lawsuit, judgment, liens, indebtedness, damages, losses, claims (including attorneys' fees and costs), liabilities and demands of whatsoever kind and character in connection with or related to accruals of benefits and service credit under UCRP on or after the date of this reemployment. This Election Form specifically covers any and all claims of UCRP benefits arising from this period of my reemployment with the University, omission from future accruals of benefits under UCRP, continuation of UCRP benefits payments after reemployment and eligibility for full benefits under the University's health and welfare plans based on those laws and regulations prohibiting employment discrimination, including but not limited to, the federal Age Discrimination in Employment Act and the California Fair Employment and Housing Act.
8. I expressly acknowledge that I have been supplied with and have read the terms of this Election, including, but not limited to, the terms of the waiver, and I have had ample time to discuss my options with my own legal counsel. I acknowledge that I fully understand the contents and effect of this document and any accompanying or referenced materials. I approve and accept the terms and provisions of this Election, including but not limited to the effect of the waiver and voluntarily agree to be bound by terms of the waiver, if I elect that option. I have a period of 21 days to consider the Election. If I elect to sign the Election before 21 days have passed, I voluntarily waive the 21-day period to consider this Election. I understand that this Election is voidable for 7 calendar days after I sign it, provided that I notify the Benefits Office in writing within 7 calendar days after signing this Election Form. If the Benefits Office does not receive such notice, this Election will become final, binding, and irrevocable 7 calendar days after I sign this Election Form. In the event I exercise my right to revoke a waiver of my right to accrue additional UCRP benefits and service credit, I will not be entitled to continued monthly retirement income payments under UCRP if I again become an active member in UCRP.
9. This Election Form contains the entire agreement between the University and myself.
10. This Election shall bind the heirs, personal representatives, successors, and beneficiaries of myself and the University.
11. Any modification to the terms of this Election must be made in writing and signed by all parties to this Election.
12. This Election is made and entered into in the State of California and shall in all respects be interpreted and enforced in accordance with California law.
13. If any provision of this Election, for any reason, should be deemed or held invalid or unenforceable in whole or in part by a court of law, said determination shall not affect any other provision of this Election.

Please see your Benefit Representative for guidance in completing this form. All rehired retirees must complete this form regardless of the nature of the new appointment. Do not complete this form if you have received a lump sum cashout.

PERSONAL INFORMATION (Please type or print clearly)		
NAME (Last, First, Middle Initial)	SOCIAL SECURITY NUMBER	EMPLOYEE ID NUMBER
CAMPUS/LAB/MEDICAL CENTER	CAMPUS PHONE ()	
DEPARTMENT ADDRESS		

Please choose only one option below:

☐ **I ELECT TO CONTINUE TO RECEIVE MY MONTHLY UCRP RETIREMENT INCOME**

- I understand that I will not be considered an active member in UCRP.
- I understand this election constitutes a waiver of my right to accrue additional UCRP benefits and service credit during my period of reemployment.
- The waiver includes a release of all known or unknown claims for additional UCRP accrued benefits and service credit and eligibility for full benefits under the University's health and welfare plans.

OR

☐ **I ELECT TO SUSPEND MY MONTHLY UCRP RETIREMENT INCOME**

- I understand that I will be considered an active member in UCRP and I will accrue additional UCRP benefits and service credit during my period of reemployment and make member contributions as required.
- I understand that I am responsible for returning any monthly UCRP retirement income overpayments that I receive.
- I understand that I must re-retire immediately after my employment ends.
- I understand that if I again become an active UCRP member, my monthly UCRP retirement income payments must be suspended.

Important Medicare Information: If you or a family member covered under your health and welfare plan(s) is eligible for Medicare and your appointment is for 43.75 percent time or more, your UC-sponsored medical coverage will become the primary payer. This may result in an increase to your monthly premium. You may not cancel your Medicare Part B coverage and must continue to pay the required premium.

I certify that I have read and understand the information and instructions on this form. I understand that this election will remain in effect until I cancel it by submitting a new form.

EMPLOYEE SIGNATURE	DATE
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FOR BENEFITS/PAYROLL OFFICE USE ONLY				
RETIREMENT/FICA INDICATOR:	RETIREMENT SYSTEM CODE:	FICA ELIGIBILITY:	EMPLOYEE HEALTH CARE COVERAGE Y N	BELI INDICATOR
AUTHORIZED SIGNATURE		DATE	PHONE	

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By authority of the Regents, University of California Human Resources and Benefits, located in Oakland, administers all benefit plans in accordance with applicable plan documents and regulations, custodial agreements, University of California Group Insurance Regulations, group insurance contracts, and state and federal laws. No person is authorized to provide benefits information not contained in these source documents, and information not contained in these source documents cannot be relied upon as having been authorized by the Regents. Source documents are available for inspection upon request (1-800-888-8267). What is written here does not constitute a guarantee of plan coverage or benefits—particular rules and eligibility requirements must be met before benefits can be received. The University of California intends to continue the benefits described here indefinitely; however, the benefits of all employees, retirees, and plan beneficiaries are subject to change or termination at the time of contract renewal or at any other time by the University or other governing authorities. The University also reserves the right to determine new premiums, employer contributions and monthly costs at any time. Health and welfare benefits are not accrued or vested benefit entitlements. UC's contribution toward the monthly cost of the coverage is determined by UC and may change or stop altogether, and may be affected by the state of California's annual budget appropriation. If you belong to an exclusively represented bargaining unit, some of your benefits may differ from the ones described here. Contact your Human Resources Office for more information.

In conformance with applicable law and University policy, the University is an affirmative action/equal opportunity employer. Please send inquiries regarding the University's affirmative action and equal opportunity policies for staff to Director of Diversity and Employee Programs, University of California Office of the President, 300 Lakeside Drive, Oakland, CA 94612 and for faculty to Director of Academic Affirmative Action, University of California Office of the President, 1111 Franklin Street, Oakland, CA 94607.

Website address: atyourservice.ucop.edu



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